



October 18, 2005

Antitrust Division
U.S. Department of Justice
Liberty Place, Suite 300
Attention: Lee Quinn
325 7th Street, NW
Washington, DC 20530

Sirs,

I would like to have my voice heard on the issue of competitiveness in the real estate industry regarding way "discount / reduced fee" brokers are treated by the "traditional" brokerages.

We have been agents for many years. We opened our small brokerage in 1987. In 1995 we were still a small brokerage trying to compete with larger local and regional companies. We could not compete with the amount of advertising dollars they had to spend promoting their companies and when we would go out on a presentation to a prospective Home Seller, we would stress our company's more than twenty years of outstanding service to many clients over the years. We found ourselves time and again competing for the business against brand new agents from large companies. At the time we believed that in order for us to survive in the industry we needed to charge the "standard" six percent commission. What soon became obvious was that the Sellers would choose the new and inexperienced agents with the larger companies over our small firm. When we would ask then why the explanation was always the same. "Since all agents do essentially the same thing, for the same price, we decided to go with the larger company". And who could blame them? From the consumer's point of view, other than the size of our respective companies there was no discernable difference.

After some serious soul searching we were clear that our industry, in spite of it's denials, was considered nothing more than a commodity and since the price was the same at our company as at the others, the Sellers would overlook our many years of training and experience to go to the larger company.

We then took a look at what we had to offer and decided that since our service was superior and it didn't seem to make a difference, the next step was to take a good look and see what would make our company more attractive to consumers. We discovered that we could provide the same high quality service for less money. This would give us

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more opportunity's to serve more clients and we would make up the difference in volume. We then converted our company to a full service, reduced fee entity and to this date we have been very effective. Our clients love the services we provide and the cost of those services. They get full value. The economy of scale has worked very well for us.

Now as to the competitiveness... We have been called "Whores" in seminar rooms with 300 + real estate agents in them. Our clients have been told that "No Realtor" would work with us because we reduce our fees. Our clients have also been told that no agent would even show their property if they listed it with us and we didn't offer a three percent commission to them for showing it. We have been vilified from the very beginning of our reduced fee system. In spite of that we have prospered.

In one instance, early on, I sent ad copy to one of the real estate advertising magazines offering our reduced fee services. The magazine called me and told me they would not run the ad. When I asked why they told me that if they ran our ad the other real estate companies that advertised with them would withdraw their own ads and the magazine would lose business. At that point I advised the magazine that they could either run the ad or talk to the Attorney General of the State of California regarding restraint of trade. The ad ran.

We survive in spite of all this.

Our services are excellent and we now have been in the real estate business for over thirty years.

We don't expect the traditional real estate companys to help us but we have not deserved the lashing we have been receiving since we converted either.

There has been an underlying and recurring theme espoused by traditional companies since the inception of reduced fee real estate agencys and it continues today.

Sincerely,

George C. Gadsby
Broker / Owner
Homes-Link Real Estate

510-748-5300

A large, bold, handwritten signature in black ink, appearing to read 'Gadsby', is written over the typed name and phone number.

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